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No. 90-256

Supreme Court U.S.

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JOSEPH P. SCOFIELD, JR.
Clerk

**In the
Supreme Court of the United States**

OCTOBER TERM, 1990

G. RUSSELL CHAMBERS

Petitioner,

v.

NASCO, INC.

Respondent.

**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Fifth Circuit**

**JOINT APPENDIX
VOLUME II**

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
ALEXANDRIA DIVISION

FILED APR 2 1988

NASCO, INC.

Plaintiff,

VS

CALCASIEU TELEVISION &
RADIO, INC.

Defendants.

CV NC.
83,2564

TRANSCRIPT OF PROCEEDINGS had on the
11th day of April, 1988, before His Honor Senior Judge
Nauman S. Scott, at the United States Federal Building,
515 Murray Street, Alexandria, Louisiana.

Reported by:
Nina J. White, Official
Court Reporter.

[R. 144]

EXAMINATION BY

MR. TRITICO:

Q For the record, sir, would you state your name and address?

A Russell Chambers, 27 Timberly Drive, Lake Charles, Louisiana.

Q. Mr. Chambers, would you explain to the Court the inception of your first contact with any attorneys regarding your attempts to withdraw from the contract which you had previously signed to transfer the assets of the television station to Nasco?

A I think it was around the latter part of August, 1983.

Q And what prompted you to decide to withdraw from this contract?

A There were many things. All that came up over a short period of time.

MR. SCOFIELD: Your Honor, at this time I want to make an objection that may be general. I hope it is. As to any testimony as to the reason for sale and Mabel Baker as trustee and lease back. I think that Your Honor has found that a finding of fact that has been made a part of Your Honor's ruling on the merits in this case as adopted by the 5th Circuit Court of Appeal. The reasons for this sale and lease back scheme and that it was solely for the purpose of placing these properties beyond the reach of this Court and beyond the reach of Nasco for purposes of seeking specific performance. And Your Honor's ruling of November 8, 1985. This finding is made no less than four times. I would object to any testimony that varies with the findings of fact and conclusions of law previously entered by this Court.

MR. TRITICO: Your Honor, I don't intend to rehash the matters that have been decided by this Court. I simply am setting a foundation for the state of his mind when he went to see the attorneys. To get to that point I could start

off by saying when did you first see the attorneys and what was your dealings with them. That's what I intend to get into and not this other business.

THE COURT: All right, sir, overruled.

THE WITNESS: There were certain things that happened during that short period between around August 20, 1983 and the following 10 days that made me have second thoughts about trying to go through with the contract that I had signed on August 9. And I contacted my attorneys and discussed it with them.

BY MR. TRITICO:

Q Now, I will, with the Court's indulgence, lead him to a point where we can get to substantive matters. I'll attempt to do that without creating problems for anybody. You were being represented by Mr. John Golden in the initial stage of drafting the contract, et cetera, with regard to the sale of the station; is that correct?

A No, that's not exactly right. I had two law firms that represented me. One was the Camp, Carmouche firm which I had hired first in 1971 and they had continued to represent me for the previous 12 years to 1983. And then I had been working with the Arnold Golden and Gregory firm in Atlanta for perhaps a longer period of time, maybe 15 years and I relied on the expertise of the different firms for different reasons. I also used a law firm in Washington which was Cohen and Marks which I had worked with for some thirty years on FCC matters so I guess in summary, I could say that I used three law firms depending on the expertise of each one for different types of things.

Q But getting specifically to the Nasco transaction, Mr. Golden was the one who participated in drafting the agreements that ultimately resulted in purchase contract being signed.

A Yes.

Q All right. At some point thereafter for reasons that you

felt were justified, you decided to seek further advice as to whether or not there were any legal means for you to escape from this contract; is that correct?

A I would characterize it as knowing that any contractual discussions would be local in nature so that I approached my local law firm, Camp, Carmouche.

Q And what dealings, what initial dealings did you have with them and with whom with regards to your Nasco contract?

A My relationship at that time was with Mr. Edwin Hunter who was my understanding head of the law firm. Prior to that time, it had been with John Camp before he moved to Washington and so my initial contact about it was with Edwin Hunter.

Q And what developed with regards to the further handling of this matter once you had indicated to Mr. Hunter your concerns about the contract?

A He assigned me to Jack Gray as the firm's top attorney in litigation.

Q Now, had you had Mr. Gray representing you on prior occasions other than this, to your knowledge?

A Not me specifically, no.

Q So you were in effect putting it in the hands of Jack Gray to handle whatever matters came up with regards to the Nasco contract?

A Yes, and he was new to me.

Q Now, what is it that you told or what is it that you asked Mr. Gray to do or to advise you on initially?

A I provided him a copy of the sales contract with Nasco. I described also the relationship that I had with John Golden who had prepared the contract. And he didn't have a copy of that sales agreement the first time I talked to him and I think we sent one over to his office and at that point I turned the case over to him.

Q Now, what was the advice that you received from the

firm that Mr. Hunter you say was the head of at that time. What was the advice that they gave you as to what you could do or might do with regards to avoiding this sale initially?

A Well, I think what I did first is wait until they had studied the contract and I went over all the reasons why I had changed my mind on going through with the sale of the station and then I sat down with them after that time to review the reasons why I legally shouldn't go through with the contract.

Q Did you ever suggest initially to your lawyers that you wanted them to get you out of this contract regardless of what the outcome would be to you? And for them to use any means devious or otherwise to cause you to be relieved of it?

A Well, I certainly didn't discuss any devious means. I did discuss the fact that I had made a mistake in signing the agreement, that I didn't realize the kind of people that I was dealing with, and I didn't want to have any further relationship with them. I was willing to pay any expenses and I wanted out of it and I was willing to take my lumps by paying them off to get out of the contract and that if they didn't accept it, that I wanted to follow through on any legal means that I could to get out of the contract.

Q Were you given to believe that there were any legal means that they could utilize in an effort to relieve you from the contract?

A Well, we discussed all of the legal means that we could think of.

I know my position was that if we had a jury trial and I relayed my reasons to reasonable people as to why I wanted out of the contract, I did not think there would be any question that a jury would not make me go through with that contract and one of my first requests to Mr. Gray and I repeated it many times thereafter, I want a trial by jury and I was assured that I would have a trial by jury by Mr. Gray. And we continually talked about the various

legal approaches. To how we would defeat that contract. At some time subsequent to the first meeting, I was approached by Mr. Gray and I was told about a method where if the contract had not been recorded that under Louisiana law like no other state law, that I could get out of that contract with no problem.

Q Now, this was Mr. Gray giving you that advice?

A Yes.

Q All right?

A And this was approximately a month before October, the famous October 17 date. And I'm a businessman, not a lawyer, and I don't have any legal training and I couldn't believe that there was a law that would permit something like that. And I struggled with that for maybe two or three weeks but not intentionally delaying because I had gone to Europe, between hearing about that, on business. I had been back and forth to the west coast two or three times and it was only brought to a head sometime between the 10th and 14th of October but the incident about the method to defeat the contract as the number one choice came up approximately a month before October 17.

Q Did Mr. Gray at that time give you any reason to suspect that if you followed this method or if that was the method it relied upon that if it failed that not only would you lose the station and have to go through the contract and pay damages but that there were other remedies that the Court might have available to punish you and/or the lawyers in the way of sanctions or even contempt?

A I didn't know anything about sanctions. I have never been held in contempt before though I have been in Court a few times.

Q But other than this proceeding?

A Except in this proceeding and I didn't have — weren't told any of those things that might happen.

Q What happened after you returned? You said you struggled with that several weeks. What was your next

encounter with the law firm with regard to the machinations that were to follow?

A I returned from a trip and during the week prior to Friday, October 14, there were conversations back and forth between John Golden and myself and it seems that Nasco for whatever reason zeroed in on John Golden and John was trying to arrange a settlement on this contract. I owe him money and he stood to get his money if this contract went through. And Nasco did all of their negotiations not with me but with John Golden and in Atlanta and I was not familiar with all of it and I did not participate in very much of it either. And on Friday, October the 14th, around 5:00 o'clock central time, John Golden called me in Freeport, Texas. And I had just left the office to return to Lake Charles. He then called my office at Lake Charles because he thought maybe I had had time to get there, and he left word that he had called but he didn't leave word that he was going to call back and he didn't ask that I call him. And that night there was a black tie dinner for Bill Lawton at the Calcasieu Marine Bank building and I attended that and I attempted to call John Golden in Atlanta because he had called and my wife had told me that he had called. And I got no answer from his home. Shall I go on as to what happened?

Q Yes?

A The following morning I met with Edwin Hunter and Jack Gray at their offices.

Q That would be the 15th?

A That would be the 15th.

Q All right?

A And we decided that something was going on and we knew beforehand that probably there was going to be a lawsuit filed.

Q How do you — what do you mean you knew beforehand?

A Well, I knew during the week before the 14th that Nasco would probably file a lawsuit to enforce the contract from

my conversations with John Golden.

Now, how he arrived at that, I assumed it was conversations with Nasco. Because he was encouraging me to go ahead and close this contract.

But he was not familiar with my reasons for not wanting to and his reasons for closing it was financial. and then I think he hates controversy which is in his favor. I think that's also a reason why John Golden would favor that. He's a peacemaker and a good one I might add. And so John Golden had prepared about a year before a trust for me and my children and I still have that someplace in my records but we never did follow through on it but I had also followed up with Edwin Hunter about a trust so this was a continuation of the discussions that we had had a month earlier and it was decided that it was imminent that something was going to be filed bay Nasco so that we should form that trust and follow through on the method to defeat the contract as the best method that Gray had come up with.

Q Now again the meeting on the morning of the 15th, and the discussion of the trust, was this something — which one of the attorneys that advised you and was leading the way with regards to using that method as a means to defeat the contract.

MR. TORIAN: May it please the Court, may I have a clarification of the question with the Court's permission as to whether that method is meaning the public records doctrine or meaning a setting up of the trust. I was unclear of the method he referred to.

MR. TRITICO: Combination of the two.

MR. TORIAN: Under the circumstances, Your Honor, may I respectfully ask he not have a combination question if that's possible.

THE COURT: All right. If you would rephrase

the question.

BY MR. TRITICO:

Q All right, who at that point in time, which of the attorneys that you had been dealing with with the firm, with the Carmouche, Camp firm had advised you and were going to go forward with the defense based on the Public records doctrine?

A Well, Edwin Hunter had assigned me to Jack Gray and Edwin Hunter doesn't do much detail work that I'm familiar with. And I was working solely with Jack Gray on the details of what I was doing.

Q And was there any other attorney in that firm with you on the morning of the 15th other than Mr. Gray?

A There were other attorneys in the office that were working in various phases of getting the work done. The detail work, and I frankly couldn't say who they are now and I didn't know them at the time.

Q All right, the plan to form the trust in furtherance of this utilizing of the public records doctrine how did that come about on that particular morning?

A Well, on that particular morning as it had been explained to me several weeks earlier, the details of what were necessary to have happen in order to take advantage of this unusual approach in Louisiana was that you had to do something with the assets of Calcasieu TV and Radio and as I recall there was more than one mentioned. It was decided by the firm that the best option was to use a trust. I had previously discussed a trust and I recall that I was asked who would be the trustee and that had come up before and my sister who is my only living close relative was the one we discussed before and was the one that we discussed that day and it was decided that we would go ahead because I had previously discussed with her if she would be a trustee, not of this trust but of a trust for my children and everything we did on Saturday and Sunday then was simply carrying out what the attorneys decided

was necessary to do in order to get all of the legal work done.

Q Now, was there any conversation in your presence with any of the attorneys in the firm as to the urgency to have it done then and as soon as possible before Monday?

A There wasn't any discussion that Monday had any significant date until — and I'm not sure whether I brought it up or my wife brought it up that John Golden had attempted to get in touch with me the day before. As a result of that, no one knew what had been said to John Golden, and Mr. Gray then and I don't know whether I suggested he talk to John Golden but he went in the other room and placed a call to John Golden and I have no knowledge of what John Golden said to him or what he said to John Golden but we had simply planned to get through with the work on Saturday and Sunday because I had a very busy, urgent schedule for the following week and I was supposed to be in Canada on Monday or Tuesday. A Tuesday, I guess it was, and we worked on the weekend mainly to get the work out of the way so I could go on my schedule.

Q When was the first time after the morning of the 15th that you ever heard the term temporary restraining order or a TRO mentioned.

A Well, I believe I heard it on Monday or Tuesday but I had no knowledge of what a TRO is and frankly I still have to take my fingers and say temporary restraining order, TRO, to remember it now.

I did not understand or have any familiarity with TRO.

Q So that on Saturday morning and even on Sunday you had not been told by either of the attorneys that something was going to happen Monday and that you had to get this done and filed before a specific date?

A No.

MR. SCOFIELD: Excuse me, Your Honor, my objection is general to this line of questions. I attempted to make it general.

THE COURT: Yes, I think you did.

MR. SCOFIELD: That is variance with findings of fact and conclusions of law of this Court. I will object to it.

THE COURT: I think you made that understanding with your objection.

BY MR. TRITICO:

Q I lost my question.

Do you recall the question?

A No.

Q I think he answered the question but I forgot what it was.

A I had an answer in mind if that was the question. I would like to —

Q I'll go over it again. Had you been told anything on the morning of the 15th or even on Sunday of the need for any urgency to get things done before Monday or by Monday?

A No.

Q Did you come up with the scheme as the term has been used in this lawsuit over and over again, did you come up with the scheme to transfer the assets out or was it on the advice of some attorneys and if so, which?

A I didn't come up with the method. I didn't understand it and at first I didn't believe it was legally possible. Obviously it wasn't legally possible so I feel justified in my earlier position but I did not come up with anything relative to that.

Q Okay. When was the next time after that morning that you had any further contact with the law firm and if so, with whom and for what purpose? After the morning of the 15th?

Well, it would have been the 16th because I went to the office to complete signing the papers that were worked on on

the 15th and maybe the night of the 15th. I don't know that. But they were worked on during the day on the 15th and I signed them sometime after lunch, I believe, on the 16th which was Sunday afternoon.

Q And who was present in addition to you and perhaps your wife and I'm speaking specifically of the attorneys.

A There were attorneys from the Camp, Carmouche firm that prepared the papers and Mr. Gray, of course. And I don't recall who those attorneys were.

Q Now, was it Mr. Gray or was it Mr. Hunter that decided that in order to utilize the public records doctrine that that there had to be a transfer of the assets out to some other entity?

A Mr. Gray.

Q So you signed instruments on Sunday then what did you do on Monday?

A On Monday morning I attended the opening of the Calcasieu Marine Bank. About 11:00 o'clock as I recall I had planned to go to Birmingham after the opening of the Calcasieu Marine Bank to get my sister to sign the acceptance of the deed or the acceptance of the trust, and I had a little time on my hands because the plane in Angleton had to be refueled and I think it had been on another trip but I was waiting on the plane to come to Lake Charles and they went shopping and then when the plane arrived in Lake Charles, I flew to Birmingham, signed the papers that I had to sign there and got my sister to sign them and returned.

Q Now, when you returned were you told anything about any temporary restraining orders or any legal maneuvers that had taken place on the Monday by your attorneys?

A No.

Q When was the first time that you heard anything about temporary restraining orders?

A Well, if I may expand on that, I didn't really understand temporary restraining orders but I did understand that

when you had a lawsuit like this, that the chances were that there would be some kind of control or restraint on the operation of the station and I discussed this with John Golden previous to October 14 that something like that might occur if we got into a lawsuit but having been in some types of these situations before or seen them regarding other companies, what I thought that Nasco if they understood the problems would want is to make sure that the value of the property that they were buying did not deteriorate, that they were proposing to pay \$18 million dollars for it and they would want to be sure that it was worth \$18 million dollars at the time that you would have a closing if one occurred or I would have to pay the difference as damages if the station decreased in value so my conversations with Golden pertained to doing what I could to maintain the value of the station if we got in the lawsuit so in my own mind's eye, I was thinking that a restraining order or instructions from the Court or whatever you would call them would be that you better not let that property deteriorate and that was my whole thrust for three years was to make sure that the property improved as an operation so that if the Court eventually ruled it had to be turned over, that it would not be of less value than \$18 million dollars.

Q And if it was of less value what did it mean to you?

A If it was less value it meant I would have to be responsible for that as a damage figure for the lesser value of the station.

Q Were you ever told initially in the early stages, I'm talking about October 15 to 24, the period of time that if a restraining order was issued that before it would be effective it actually had to be physically put in somebody's hands?

A Yes, I was told that.

Q What were you told and by whom?

A I was told by Mr. Gray that there was no legal effect on anything that was filed until he had that in his hand and

until he got a chance to respond to it and then the Court would act on his response and the initial requests by the other parties.

Q When was the first time that you were aware that there had been some contact on Monday, October 17, 1983 between Mr. Gray and this Court concerning the issuance of the temporary restraining order?

A I think at the Calcasieu Marine affair. I ran into Jack Gray who also attended that and he mentioned that he had talked to Judge Scott.

Q And did he tell you anything of the substance of that call?

A No, just that he talked to Judge Scott and that there was things going on about a restraining order.

Q All right, did he know that you were planning on that day or about that day to go and get documents completed that had been drafted up over the weekend?

A Yes.

Q Did he tell you not to do it?

A No.

Q Did he tell you that if you did that, that you would be violating some order of the Court?

A No.

Q When was the first time that you learned that actually of the actual facts of the order being signed on that Monday?

A Well, I don't know that I can answer that. I left on a trip and I was always late in finding out these things. For example, in the question of the time that I left to go to Birmingham and the time I got back, I didn't realize that neither the Court nor the lawyers for Russell Chambers nor the lawyers for Nasco understood what Zulu time meant and they were having long legal arguments about what time I got back and what time I left and I didn't even know about that until I overheard an argument about it

that I came back about midnight and like many other things, I did not hear about it until after the facts and I did not hear about the conversations with Judge Scott until much later on.

Q Did your attorney Mr. Gray advise you that he had discussed with the Judge the wording of a temporary restraining orders and whether or not he had told the Judge what was going on. Did he tell you anything that conversation?

A Well, at some point in time we discussed it but not right away.

Q Did he — when did he finally if ever tell you that you had — you might be in violation and that all of you might be in violation of that temporary restraining order by having carried out this maneuver to transfer the assets?

A Never did tell me that.

Q Following that, there were some instruments drawn up with regards to the leasing of the lease back of the equipment?

On whose advice were these done?

A You mean the lease back of the equipment that —

Q That had been transferred in the trust?

A That was done on the advice of Gray on the Saturday and Sunday, the 15th and 16th.

Q Now, when you say on the advice of Gray, was Mr. Hunter, Edwin Hunter also present during these discussions?

A He was present at some time but initially even before the 14th, it was decided that here are the things that should be done in connection with this approach. And I don't recall that anything other than going ahead and getting them done was discussed on the 15th and 16th. Different people had different assignment. I simply got the papers and signed them.

Q The next specification that I will address as listed by

counsel for Nasco have to do with the refusal to comply with the Court's order. That Nasco be permitted access to the books and records of CTR. Now, you have already been held in contempt of Court and fined by this Court as a result of that and I'm not getting into that. What I want to get into is whether or not you had the advice of counsel in your refusal to give them the additional materials that they claimed and the Court later found was contemptible?

A I had the advice from two attorneys as to what to do in that case. One was Jack Gray and the other was John Golden. And I guess you could say a third one because a third attorney followed the instructions of John Golden. I discussed with them what I was supposed to do. Clearly the contract said that I was obligated to do certain things in connection with the assets which I had agreed to sell to Nasco. And since John Golden took another contract and copied it, and adopted a lot of the language in it but was greatly modified by Nasco, they made it apply to Tennessee law, they included a number of the important things apparently changed with John Golden without a great deal of discussion with me. I didn't even know about the Tennessee law until after I had signed the contract and they assured me that it was all in order.

But because John Golden had written a contract, I called John and I said Nasco has asked to see material in no way related to the assets that I agreed to sell and am I obligated to let them see that information. And I says frankly I have been in numerous sales and I have never heard of anybody coming in and looking at this material before the FCC approval and they had made a mistake in the contract which John Golden acknowledged that they had made a mistake and he said that no, I'm not obligated to show them those things and I believe I read to him the Court order and the language of it and he also reflected on that and still agreed with it and I said will you confirm that in writing to me and he did that through another attorney who worked for him, Clint Richardson, and that letter was dated December 1. I mean, November 1, 1983, except that letter had three mistakes in it. But it did say clearly

that I was not obligated and he had written the contract pertaining to those features. Then I asked Jack Gray about it and Jack, of course, was concerned about pleasing Judge Scott but he said it was his opinion that I did not have to show any of the material. Now I know that Nasco was working there and they were supposed to work through a given Sunday and I don't know the date offhand but I could get it, and I came back early on a Friday at noon to specifically go to Nasco and ask them if there was anything else that they desired and it turned out instead of working through Sunday, they had left as they frequently did earlier than they had claimed they needed to work by noon on that particular Friday, but they had their two contract employees from Washington there and about 2:00 o'clock I arrived and went to them and asked them if there was anything they needed and I happened to, without realizing it beforehand, worked with one of those men years before and he said no, they had seen everything that they wanted to see and I felt pretty comfortable about that.

Q Mr. Gray knew what documents they wanted to see, did he not?

A Yes.

Q And he advised you that you didn't have to show it to them?

A Yes.

Q In addition to that you spoke to John Golden and he likewise advised you that you didn't have to?

A Yes.

Q I'm going to show you this copy of this letter which I have marked D-1 and ask you if that is the letter you received in confirmation of your telephone call to Mr. Golden?

A Yes, it is.

Q We have marked it as D-1, your Honor, and ask that it be filed on behalf of Chambers. I have already exhibited it to counsel.

THE COURT: Admitted.

MR. SCOFIELD: Just for the record, Your Honor, I would object to the relevancy of Mr. Richardson's letter. It's dated November 1, 1983, and the ruling of this Court recognized that I made the request for the documents on November 25, 1983 some three weeks or more after this letter. So it couldn't have been in response to something I had requested.

THE COURT: Couldn't have been in response to what, sir?

MR. SCOFIELD: Well, he's saying —

THE COURT: Oh, I see.

MR. SCOFIELD: This letter was written to give him advice on how to respond to my request.

THE COURT: Yes.

MR. SCOFIELD: This letter comes 24 days before my request was made.

MR. TRITICO: Your Honor, I was not involved in the litigation at that point. All I can say is what Mr. Chambers perhaps there have been discussions about what they intended to look at. Maybe the formal request wasn't made. The point is he was advised by his counsel in Lake Charles he didn't have to show it to them. That's his testimony. Perhaps Mr. Gray will disagree with that but I don't think he will because it's in his response he did advise him that.

THE COURT: Well, I'll overrule the objection. That could be argumentative in spite of the fact it's been admitted.

BY MR. TRITICO:

Q Before I overlook this, Mr. Chambers, were you ever informed by your counsel in Lake Charles, Mr. Gray, at some point in the proceedings that the conversation that he had with Judge Scott that it had been taped?

THE COURT: What?

BY MR. TRITICO:

Q That the conversation that took place on October 17 had

been taped with Judge Scott?

A I believe there was a reference to it at some time. I don't remember.

Q Did you ever see that transcript until most recently?

A I did not read it until recently, no.

MR. TRITICO: We offer in evidence, Your Honor, copy of the transcript of telephone conversation dated October 17, 1983, or actually several conversations. The transcript was retrieved from the records of the 14th Judicial District Court, in the matter entitled G. Russell Chambers versus A. J. Gray, the III, et cetera. And it's in the memorandum, the purpose being to show that counsel for Chambers was dealing with the Court in a way that created a problem and that Mr. Chambers was never made aware of the exact nature of that conversation until most recently.

THE COURT: All right. Without objections I'll admit it.

MR. HOSKINS: What is the number on that?

MR. TRITICO: D-2. I guess I better call it Chambers

2.

We will change those exhibits to Chambers 1 also.

THE COURT: That will apply to 1 also.

BY MR. TRITICO:

Q Now, Mr. Chambers, if Mr. Gray had advised you with regards to the request for production that you should give it to them despite what he told you, if he had told you you needed to give it to them, would you have complied with your attorney's suggestion?

A Yes.

Q The next specification has to do with the filing of appeals with regards to the contempt judgment.

I presume that it's not necessary for me to ask you if you were unhappy about the decision to find you in contempt of Court?

A Yes, I was.

Q Did you discuss with your attorneys whether or not there was any relief that you could get by way of appeal?

A We thought the decision was unfair, and we thought that we should appeal it because we didn't think it was fair.

Q Did your attorney or attorneys at that time suggest to you that you should appeal and that there was merit to the appeal?

A Yes, they thought that we should appeal and they recommended it.

Q When we say they, which attorneys are we talking about?

A I'm always talking about Jack Gray in connection with the Nasco versus Calcasieu TV and Radio, Inc.

Q Did they ever advise you with regards to that appeal that it was meritless, that it was untimely or that it would be sanctionable?

A On the contrary, we thought it would be reversed.

Q And that is the advice that your attorney, Jack Gray, gave you?

A Yes.

Q Had he told you it was meritless that it would be untimely, that it would be frivolous and that it would open you to possible sanctions, would you have suggested that he go forward with it under those conditions?

A No, I wouldn't.

I would like to add though that most attorneys including Mr. Gray always say you don't know what is going to happen when you are in Court.

Q Well, I'll go along with that but you were not advised that it would be better not to take the appeal?

A No, we thought we would get relief in the appeal.

Q Did Mr. Gray ever at that point regarding that appeal tell you I don't think we should appeal but you thought we

should and you said I'll insist that you appeal?

A I take the suggestions of my attorneys. I do not overrule them on legal matters and that was a legal matter.

Q All right. The pleadings that were filed that the motion for sanctions under number six claims that there were numerous meritless pleadings filed that were not well grounded in law or in fact and were filed for the improper purpose of delay and needlessly increasing the cost of this litigation. Who orchestrated the filing of pleadings in this litigation? Was it you or was it your attorneys who made the ultimate decision of what was to be filed, what it would say and when it would be filed?

A I would like to comment first on one statement that you made. Nothing was ever filed in this case for purposes of delay to my knowledge. My life's work was involved here, \$18 million dollars was involved here and everything that I know of that was done was done and decided on by the attorneys for the purpose of trying to win this case which they were always optimistic that we would win and they made the decisions on what we did to try to win this case.

Q Did you ever go in to Mr. Gray's office with a prepared motion or pleadings that you wanted him to copy and file for you?

A Never.

Q Did you always see the pleadings before they were filed?

A No. In fact, I complained about not seeing some of them.

Q Were you ever advised by Mr. Gray that you know, Mr. Chambers, we are filing a lot of pleadings here and some will be found perhaps meritless and it's going to cause you some troubles down the line during this litigation, after this litigation or during the litigation? Did they ever warn you about anything like that?

A Never even a suggestion of that.

Q Now, number 7 says October 24, 1984, that you all filed an amended answer and frivolous counter claim alleging that Nasco had breached the contract. I presume you

discussed with Mr. Gray your reasons for thinking they had breached the contract or was it he who decided there were some reasons that they had breached the contract?

A I discussed the facts about what happened and he decided whether those were facts that breached the contract or not.

Q All right. The decision to file the amended answer with a counter claim alleging that Nasco had breached the contract, did you draft that pleading?

A No and I'm not sure that I even approved doing that.

Q You were still relying on the integrity knowledge and advice of Mr. Gray in the handling of this litigation?

A Yes.

Q Now, the next specification has to do with the scheduling of, as Nasco refers to them, numerous unnecessary depositions including all of the members of the board of directors of Nasco and their banker. Did you and Mr. Gray, I presume, discuss the need for taking the depositions of the board of directors?

A Yes, we did.

Q And whose decision was it, whose ultimate decision was made that we should depose all of its bank directors or the bank directors involved as well as the Nasco board?

A Well, Mr. Gray and I discussed the fact that we thought the Nasco people continually lied and we had taken the deposition of Mr. Brian Burns who was president of channel communications who had signed on behalf of Nasco. We suspected that they wanted to be in a position to walk away from that contract if they didn't like what they —

MR. TRITICO: If Your Honor please, I'm hearing comments that are interrupting my thoughts. I would ask counsel to restrain themselves.

THE COURT: I couldn't hear it.

MR. TRITICO: I hear it.

THE WITNESS: They were interested in what they

Mr. Gray was interested in what had happened and in taking the deposition of Mr. Burns, he had unequivocally stated that he didn't have authority to sign for Nasco but our total contract relied on his signature.

And therefore we wanted to find out if the directors of Nasco had ever given him permission to do that. It turns out that they said in a one line statement that they had done that but they had not advised Mr. Burns that he had the authority to go down to Lake Charles and sign or go to Atlanta and sign that agreement and that created the need for deposing all of those directors.

BY MR. TRITICO:

Q All right, but the point is that the decision to take their depositions to support a legal defense that Mr. Gray thought would be viable if the man didn't have authority was the decision made by Mr. Gray?

A Yes.

Q Would the same be true with regards to the question of whether or not the need to take the bank directors' testimony was necessary depending on whether or not they actually had a commitment for the funds?

A Yes.

Q If Mr. Gray had thought that it was unnecessary or that it was needless or that it was just going to be a harassing tactic and had told you so would you have yielded to his advice?

A I would have left the legal decision up to him.

A Now at this point having nothing to do with the Nasco response but something else as part of a response from Mr. Gray's attorneys, were you hiring or having other attorneys to monitor the actions of Mr. Gray in the handlings of this litigation as he refers to you having lawyer's including myself monitoring him during the handling of your matters with him?

A No.

Q Number 9 of the request for sanctions claims that

respondent's persistently attempted to expand the issues of the lawsuit in their terms well beyond the bounds of reason. And I will ask you again as I have on previous occasions, I apologize to the Court and counsel for having to go over perhaps some of the same material but they itemized them separately and I have to go over them, I have to take them that way. The expanding of the issues if there were any as counsel refers to them, who would conceive, prepare and file such pleadings that they may be referring to if they were, in fact, if they are, in fact, subject to sanctions, who prepared them? Who decided the language and decided when to file?

A Mr. Gray and his firm.

Q Did you ever suggest to Mr. Gray and the firm that I want you to file as much as you can in this lawsuit to harass them as much as you can, to delay this thing as long as you can by filing whatever you can to do so?

A No.

Q At any time did the attorney Mr. Gray or anyone else for that matter in the firm ever suggest to you what they were doing was frivolous or might subject you to sanctions other than the delay damages if the tactics they chose failed?

A No.

Q As a matter of fact when was the first time you heard the term used as it might apply to you, the term sanctions.

A Well, in a legal sense I had never heard of it until this litigation. I had heard of it before and it's used in business terms but not in legal terms I hadn't heard it.

Q Had you ever heard it used in the context that you might be sanctioned until this pleadings was filed most recently? I said most recently, this pleading?

A No, I did not, had no knowledge of it.

Q Did Mr. Gray ever show you a copy of some draft document prepared by some other Federal Judge as his comments on sanctionable actions against attorneys?

A No.

Q Number 10 of the specifications suggests that you were constantly seeking delays of discovery hearing dates and of the trial date itself because Mr. Chambers as they say supposedly had more important things to do. Were you aware that — I'm sorry, strike that. Did you in fact ever create a conflict in your schedule simply to create a problem for the orderly proceedings in this litigation?

A Never and on the other hand, I worked hard trying to avoid it.

Q Now at the time of this litigation you were president of a multi-national corporation, is that correct, or chairman of the board?

A I was president and chairman of the company.

Q Were there times when you schedule did create a conflict for things that were planned in this litigation?

A Yes, I had a schedule where some things could be changed but I had legal obligations that required that I attend meeting that if I was not there, I had a legal requirement to get that changed and I had other depositions in different places in the country. I had some in Europe. And I tried to move those around to accomodate this problem because those representatives of the company were — I was just one of many and this represented the most important thing in my existence.

Q Now, when you had a conflict would you present the conflict to your attorney and ask him to see if he could do something about it?

A In most cases when I got a schedule, I changed my schedule around to accommodate the Nasco Calcasieu TV problems and changed the other schedules because I was in charge of most of them. There were a few I couldn't change.

Q The point is there were a few you — some you couldn't change and did you ask you attorney to contact the other side and do something about the resolving the conflict?

A Yes, and as I recall, I didn't get one accommodation from that over the period of years.

Q Did Mr. Gray ever tell you that your failure to be able to keep your schedule clear enough to meet all the deadlines of the requirements of this Court would subject you to sanctions at some point later on in this trial?

A No.

Q Now number eleven has to do with the recusal request of Judge Scott. It's called a classic violation and that you should be sanctioned for that. Now, Mr. Chambers, I would not ask you because it's obvious that you felt that there were problems with regards to the Judge being objective in this case. You felt that good or bad or right or wrong, you felt that?

A Yes.

Q Did you discuss that with your attorney?

A Yes.

Q Did your attorney discuss his attitude or his reaction to what was going on as to whether or not there was a need to do something about it or at least attempt to do something about it?

A Yes.

Q Did your attorney tell you that I really am reluctant to file a recusal motion of a Federal Judge or any Judge?

A Yes, he did.

Q All right. I would be surprised if he wouldn't. Now did he say I'll only do this if you insist, Mr. Chambers?

A No. We thought it was justified.

Q Did Mr. Gray tell you if we file this motion and it's denied, what the effect might be either because of further antagonizing the Court or that you might be subject to sanctions for having allowed your attorney to follow that procedure?

A No. We thought Court's were used to this.

Q But the point is he never told you that you might be asked to be punished for sanctions for having allowed your attorneys to make that legal decision?

A No.

Q The next specification has to do with the denial of the motion for recusal and then the request for relief at the 5th Circuit. Did your attorneys advise you that they thought Judge Scott was in error for having failed to recuse himself?

A Yes.

Q Did they tell you that they thought that because of their legal conclusions that he was wrong, that you had a right to appeal?

A Yes.

Q Or to request relief?

A Yes.

Q And did they advise you to allow them to do so?

A Yes.

Q Did you insist that they do so despite their protestations if there were any?

A No, I think the way these things worked on this case was that they looked at the legal aspects of the case, made the suggestions and then in some cases discussed it with me and some cases, no.

Q Okay, but they didn't tell you that it would be wrong for us to try and seek relief before the higher tribunal?

A No, they didn't.

Q Was the motion for recusal in your mind and the petition for mandamus to seek the recusal of Judge Scott designed so far as you know just to add further delay to this litigation or was it for reasons that you and/or your attorneys thought were in the best interests of their defense?

A We thought the Court wasn't fully informed, had one side of the story and we did everything we did in hopes of getting better understanding of the Court.

Q The fact that there were, number 14, the fact that your attorneys listed at least a hundred witnesses in their pre-

trial order, I will ask you, did you participate at some point in going over what witnesses you might think they should have along with any suggestion they had as to what witnesses they could use or should list on this pre-trial order?

A Well, I didn't get into what they should lists on the pre-trial order but I did participate and still think about an approach of trial by jury to get the people to tell the truth about what had gone on and I certainly supplied names but I didn't insist that they be presented to the Court.

Q Did you supply these names at their request to give us names?

A Yes.

Q Did you ever prepare a pre-trial order or did you even know what a pre-trial order was?

A I didn't know what a pre-trial order was.

Q Did you counsel tell you, you know, if you list a hundred names on here and we don't use them all or the other side decides to go take depositions of them all over the country as opposed to just sending out a simple set of interrogatories to ask what they are going to testify about that if they do that and you don't use them that you are going to be subject to sanctions for doing that?

A I didn't know that.

Q Number 15 says after putting Nasco through the traces for so many months on the eve of trial your counsel stipulated that the August 9, 1983 purchase agreement was a valid and enforceable contract. Where were you on the eve of the trial that was to take place on apparently August 10, 1983.

A I was in Lake Charles. I don't know where I was.

Q All right. Did you participate in the decision made at that time that Mr. Gray, you wait until the eve of trial and then go in and stipulate that the contract is valid and enforceable?

A I didn't know what that meant.

Q But you didn't suggest that is what he do?

A No.

Q I'm not suggesting that he did it without your permission. I presume he had your authority to do so? Or did he?

A Well, I don't think he did. I think we discussed it but there was no explanation of what that meant to the lawsuit. It was a last minute, few minutes before the trial that that came up. What I had no explanation of the eventual meaning. It was my understanding that that meant that I agreed that I had signed the August 9 Agreement and that it was a valid contract speaking for itself. Beyond that, I know nothing about it and had no other explanation of it.

Q Had there been any earlier discussion whereby Mr. Gray would have suggested I think we ought to go in there and admit the contract is valid and binding and forget these defenses which we have been utilizing all these months?

A No.

Q The next is item regarding your disturbing the status quo by petitioning the FCC for permit you to construct and relocate the station facilities. Did you file a petition for construction permit to relocate the construction transmission facilities?

A No.

Q What did you file?

A I filed an application for moving the transmitting site to a location where you could expand the height of the transmitting antenna to two thousand feet.

Q Did you have the advice of anybody as to whether or not that was something that needed to be done and if so, who was the person that advised you?

A It was an experience that — conclusions from things that had happened in the Lake Charles area, and in my relationship with NBC in New York and it gets back to the status quo. Starting with the Court's order to maintain status

quo, my understanding of that meant that I had better not allow that station's value to drop and everything that I had done was directed towards doing that. And it was obvious that if Channel 7 in Lake Charles did not have NBC, that the value would not be \$18 million dollars. It would be more like \$10 or \$12 million dollars and I would be stuck for damages because that had occurred. Well, I still was running — while I was still running the station. So my total interest in increasing the tower height was to maintain the status quo and not allow the value of the station to decrease and it came about because there was a argument going on between ABC and Channel 3 and Channel 3 was interested in getting NBC.

Q Where is Channel 3?

A Channel 3 is in Lafayette and NBC service in Lafayette comes from Channel 7 in Lake Charles and because ABC was angry at Channel 3, they had granted an ABC part of the consideration was Channel 3 and though this area was served by 3, ABC, they granted thirty-one ABC affiliations and that made Channel 3 angry and they were looking to change to NBC if they could and the proposed increase at my expense, no obligation whatever was transferred, would be owned by the owners of Channel 7 and so that was the total reason for my filing the application.

Q Now if the application had been filed and had been approved, did that mean that you had to construct the tower?

A It did not mean you had to construct. My concern was keeping NBC on Channel 7 and honestly, it was the most inexperienced thing that the Nasco people was do is confirm they were inexperienced, but NBC was ready to do something about that, and in fact, following the Court's order and I forget the date, December of whatever year, it's been so long. I don't believe I have done anything to violate the Court's order intentionally to try to do anything but try to fulfill all of the directions of the Court and one of them was to keep NBC and keep status quo. And the day of the transfers I was busy calling NBC begging them to transfer the NBC contract to Nasco to fulfill the Court's

order which they did not want to do.

Q Now, the fact that you had so vigorously opposed the contract all the way through until the Court finally said you must do so by a certain date, that sort of flies in the face of you saying you were begging NBC to grant the transfer. Would you explain that, why you would be begging on the day or two before the closing to try to get them to go along with something that was beneficial to them and not you?

A I think you have the proof what I say is true because NBC would not grant Nasco even with my begging an extension beyond December 1, 1986. Which was the date that they had to be notified that they weren't going to extend the contract on NBC so you only had three months to run and I felt that if NBC refused and this is what I told NBC, the value of Channel 7 would go from whatever value it was to 50 percent of its value and I thought Judge Scott would hit me with all those damages and so my reasons were selfish for begging NBC as they were the day before the closing, getting the money, the bankers that were supplying the \$18 million dollars were visiting me, asking me if I should recommend that they loan Nasco \$18 million dollars and did I think the station was worth the \$18 million dollars and here again, I gave them all of the recommendations that I could to go ahead and loan the \$18 million dollars. And that was Tuesday. I believe it was Tuesday afternoon about 5:00 o'clock, two members of the bank group from Chicago who had not agreed to loan the money to Nasco were visiting me on Nelson Road asking me what my opinion was about the Nasco loan.

Q Now, at this time, Mr. Chambers, you didn't have the same counsel that you had earlier?

A That is correct.

Q Your counsel was advising you that you needed to do everything that was necessary to complete the sale. Had he not been advising you to that effect for months?

A Yes, he had and so had Mr. Gray. Mr. Gray had been advising me to do everything I could to complete the sale.

Q Okay, now I will get off that.

Number 17 has to do with the appeal, the respondent sought a stay of specific performance. Would I be correct in assuming that your answer would be the same with regards to that allegation that it was your attorneys who advised you that this was a viable legal tactic and that it was something that you should allow them to do?

A Yes.

Q You were not told I presume by Mr. Gray that to do so would subject you to sanctions if the tactic failed?

A No, I was not told that.

THE COURT: What tactic?

MR. TRITICO: this is when I — of course, I have to rely on the filing which they claim that the respondents sought a stay of the specific performance. I don't have the full text. What was the statements, stay.

MR. HOSKINS: What was Mr. Gray's motion? A motion to stay the judgment.

MR. TRITICO: A motion to stay the motion on merit pending the appeal apparently.

THE COURT: Oh, yes.

BY MR. TRITICO:

Q number 18 has to do with the 5th Circuit's unprecedented move of ruling from the bench affirming this Court's decision. Now, at the appeals level and the filing of the appeal. Were your attorneys, Mr. Gray and any others, did they all advise you that you should appeal or did they say well, Mr. Chambers, do you want to appeal. If so we will do so but we warn you that you may be sanctioned for doing so.

A They all advised me that we should appeal the decision. Sanctions were not mentioned.

Q As a matter of fact, were you not even advised by the

New Orleans firm that actually presented the argument to the 5th Circuit that you should continue on in further appeal?

A Yes, they did.

Q I'll mark this as Chambers 3.

MR. TRITICO: I say appeal as to some portion of that. Chambers 3.

THE COURT: Admitted.

BY MR. TRITICO:

Q I show you a copy of a letter sent to you on October 20, 1983, from Camp, Carmouche, et cetera signed by Mr. John F. Wadsieck and ask if you recall having seen such a letter having to do with the sale of the facility trust?

A Yes, I have seen that.

MR. TRITICO: We offer in evidence letter dated October 20, '83, signed by John Wadsieck identified as Chambers 4 statement. Your Honor we offer copy of a letter dated October 18, 1983 addressed to Honorable Nauman Scott from Camp, Carmouche which I'll identify as Chambers 5 which is a letter advising the Court that sale had taken place.

THE COURT: They're both admitted.

BY MR. TRITICO:

Q Now, Mr. Chambers, the closing of the sale that took place last year, were you present, physically present during the two and a half days at Mr. Scofield's office?

A Whenever I was asked to be present, I was present.

Q But were you asked to be present?

A I was there at some time but I don't recall, the way I left it is if I was needed I would be there.

Q And your attorneys knew where you were at all times?

A Yes. Yes.

Q And I think you said something about the representatives of the bank that was going to lend the money were

at your office during these days as was some of the Nasco people?

A Well, I don't believe — these people came without Nasco.

Q Okay.

A They came to see me to get my opinion on loaning the \$18 million dollars to Nasco and they were alone. And also I was working on the NBC problem at that time.

Q Okay. Mr. Smith complains about the inadequacy of your facilities on Prien Lake Road and the room which you provided to them. Do you by any chance have any photographs of that room?

A Yes, I do.

I think we made several pictures including pictures from the lobby.

Q I'll admit to the Court this is the first time I have seen them. Let's not — let's select some, not put any more than necessary in. I don't want this to be such an important thing in this or that we spend too much time on it. What is the photograph I'll mark as Chambers 6?

A This is looking down the hall from the air conditioned area to the door on the right. It's 56 feet from the doors right here to the door on the right which is where all of the material was placed.

Q Now, the door way that is in the forefront of the picture leads to where?

A It leads down the hall.

Q I don't mean the direction. I see what is behind — I don't see.

A That's the main entrance to the entire building.

Q And what does Chambers 7 purport to be?

A Chambers 7 is a view from the entrance to the door where everything has been left just like it was when the Nasco people were there and it's a room — it's a modern room thirty by thirty in size and it had to be large enough to contain the some several thousand documents that were in the

boxes that were in there, and we picked a room that would contain all the boxes so they didn't have to be moved back and forth.

Q All right. What does Chambers 8 purport to be?

Chambers 8 is moved in about halfway into the room from the entrance door showing all of the boxes that were made available to Nasco to examine, and some of them are sitting on the floor and some are sitting on the desk that we moved in there.

Q And Chambers 9?

A Chambers 9 is a close-up of the desks that were put in there for use by the Nasco people.

Q All right. Now, the boxes that appear in these photographs you say these were the same boxes that they were looking at?

A Yes, same boxes.

Q Mr. Scofield wanted me to ask you if we have a photograph of the thermometer. Do you know what thermometer he's talking about.

A I know that Mrs. Olander on her own put a thermometer in there.

Q Do you know how the question came up as the reason why there was a need for checking the temperature?

A Yes, I do because there was nothing but complaints from Mr. James Smith about everything and I asked Mrs. Olander what the temperature in the room was and she says I've got a thermometer and I'll put it in there and see and this, I think, followed my suggestion to one of the engineers there to put not just the small fan Mr. Smith referred to but to put a 24-inch fan in the door to pull that air conditioning down the hall into the room and it turned out that that presented another problem. It blew the papers so we moved it in there but we also moved it out because it didn't do the job.

Q And did the thermometer remain on the premises and if

so was it there for any subtle problem or suggested problem.

A Well, I couldn't answer that. You would have to ask Mrs. Olander but —

Q We will offer these photographs as Chambers 6 through 8.

THE COURT: Admitted.

* * * * *

Q Okay, and insofar as the appeal of that matter was concerned, you actively sought to have that matter appealed too, didn't you?

A I have not actively sought to have anything done. I have relied on my attorneys for what actions they thought was necessary in this case.

Q You are telling us then that you didn't actively seek to have this matter appealed insofar as the recusal is concerned?

A I'm telling you that I have not actively attempted to do anything in this suit but follow whatever legal procedures I could to keep from having to transfer KPLC TV in Lake Charles.

MR. TORIAN: Your Honor, we have no further questions. Thank you very much.

THE COURT: any further questions of this witness?

MR. SCOFIELD: I have a few.

THE COURT: All right, sir.

MR. SCOFIELD: I'll be brief.

EXAMINATION BY

MR. SCOFIELD:

Mr. Chambers, we have been at this, in this litigation for over four years. Has it been a long and a expensive battle for you?

A Yes.

Q Do you have any idea how much you have spent on fees

and expenses of your attorneys who have represented you throughout the course of this litigation?

A I haven't looked at any records as to the total cost, no

A Could you give me an estimate?

A No, I couldn't.

Q That's not significant to you?

A Very significant but spending more money taking the cost of other legal matters out of it would just cost more so I do know generally what I have spent on legal expenses in the last four years but it includes many other things other than this litigation.

Q Would you agree with your own statement in your brief that you have spent in this litigation enormous sums in attorneys fees?

A Yes.

Q That was a statement made by Mr. Tritico or was that a statement made by you?

A Well, Mr. Tritico made the statement. He prepared it, and he used the word enormous. I think he qualified that a little by saying that \$48 thousand dollars for a frivolous appeal was enormous for what was required so I think he would use enormous in a manner that referred to what you got and what you charged.

Q We are talking about the fees that you spent. What he was saying that you spend enormous amounts of money for fees, you agree with that?

A I intended to answer that by saying he thought the \$48 thousand dollars that you all listed as your fee was enormous for the work done and he would therefore think other fees were enormous may be different than I would. I think anything you spend on legal fees is big.

Q Are you disagreeing with me that Mr. Tritico said in your brief that you, G. Russell Chambers, has spent enormous sums in fees on this case?

A No, that's correct. In my mind and I have a number in

my own mind what I call enormous and they were enormous fees.

Q If Mr. Tritico as a payee of the fees called them enormous. I presume you as payer certainly consider them to be enormous.

MR. TRITICO: Just a minute. I object to counsel — I don't have any problem with you saying what I said but I want it clear that the enormous fees weren't all paid to Russell Tritico, the payee.

MR. SCOFIELD: I said a payee.

MR. TRITICO: And I agree they were enormous. Anything over \$10 thousand dollars is enormous to me.

BY MR. SCOFIELD:

Q Okay. Mr. Chambers, during the course of this litigation, did you at any time act improperly or in bad faith in conjunction with this litigation?

A I could say I didn't act in bad faith. Improperly would be something that someone else would judge. I don't think I acted improperly in this entire case.

MR. SCOFIELD: Thank you.

* * * * *

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March 31, 1988

Mr. David Hoskins, Esq.
1114 Ryan Street
Lake Charles, Louisiana 70602

"HAND DELIVERED"

Re: NASCO, Etc.

Dear David:

In view of the time constraints facing all of us, consider this as a formal request for copies of the itemized billing for what NASCO contends are their total fees in connection with the claim for sanctions. As we appreciate the jurisprudence on this subject, the fees should be separated on the basis of each particular item that might be considered sanctionable, albeit your position may differ at this point. In addition to a generalized billing as was presented already, we request a copy of the computer backup, (if that is how the bills were posted) showing the hours, the work performed, the subject matter involved, the attorney involved, and/or the assistant-paralegal. In addition, since we must look to the accuracy and/or reasonableness of such billing, we request a copy of all other hours billed by that same attorney on the same dates as the bills in connection with this case, in which that attorney may have billed other hours for different clients. We recognize the possibility of confidentiality as to "other clients", and the names of these clients could be whited out, so that all we would be seeing is the attorney involved, the work performed and the hours billed on a particular day.

We would like to have these as soon as possible for obvious reasons.

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Thanking you for your anticipated cooperation, I
AM

Yours truly,

RUSSELL T. TRITICO

RTT/ca

cc: All counsel

Mr. Russell Tritico
Attorney at Law
130 West Kirby Street
Lake Charles, LA 70602

April 5, 1988

Re: NASCO, Inc.
Vs. No. 83-2564
Calcasieu Television and Radio, Inc.,

Dear Russell:

Enclosed please find the following:

- (1) Itemized billing statements of the Scofield, Bergstedt, Neal & Harwell, and Crowell & Morning law firms;
- (2) A list of attorneys and hourly billing rates (Scofield, Bergstedt) in effect during the course of this litigation (I believe all rate changes occurred on September 1 of the year in question).

The additional materials you requested are not enclosed. In light of the Court's remarks during the last Status Conference, we consider those materials to be irrelevant to the proceedings, and not calculated to lead to the discovery of admissible evidence. Because of record retention policies of the various firms, such information is not readily available, and would be exceedingly burdensome, if not flatly impossible, to reconstruct.

By copy of this letter, I submit copies of the enclosed materials to all counsel of record, and to the Court.

Yours very truly,
/s/ David
DAVID L. HOSKINS

DLH/gc
Enclosure
cc: The Honorable Nauman S. Scott
All Counsel of Record

NEAL & HARWELL

800 THIRD NATIONAL BANK BUILDING

NASHVILLE, TENNESSEE 37219-2084

(615) 244-1713

January 5, 1984

IDENTIFICATION #62-1017545

Nasco, Inc.
P. O. Box 576
27 North Main Street
Springfield, Tennessee 37172

ATTENTION: Mr. Stephen I. Geringer

TO LEGAL SERVICES: (October 1, 1983 - December 31, 1983)

NASCO V. CALCASIEU TELEVISION AND RADIO, INC. et al.

Telephone conference with Jon Golden, counsel for Mr. Chambers; telephone conference with Steve Geringer; second telephone conference with Jon Golden; office conference between Mr. Harwell and Mr. Ross; telephone conferences with Mr. Geringer and Mr. Smith; office conference between Mr. Harwell and Mr. Ross re: KPLC-TV acquisition; office conference with Steve Geringer re: status of KPLC-TV matters; telephone conference with Brian Byrnes; office conference between Mr. Ross and Mr. Harwell; attempts to contact Jonathan Golden by telephone; letter to John Scofield; telephone conferences with Brian Byrnes and Jim Smith; telephone conference with Jon Golden; telephone conference with Jim Smith; telephone conference with Mr. Golden's office; telephone conference with Steve Geringer; telephone conference with Bill Cook; office conference between Mr. Harwell and Mr. Sullivan; telephone conference with Jim Smith; telephone conference with Robert Sullivan; telephone conference with Jon Golden's office; telephone conference with Steve Geringer; telephone conference with Mr. Golden re: additional agreements; conference between Mr. Ross and Mr. Harwell re: additional agreements; legal research re: Specific Performance; two telephone conferences with Jon Golden; telephone conference with Steve Geringer; office conference between Mr. Harwell and Mr. Ross, to obtain contract from Russ Chambers; telephone conference with Mr. Golden; telephone conference among Mr. Harwell, Mr. Ross and Mr. Golden; telephone conference with Jon Golden; office conference between Mr. Harwell and Mr. Ross; telephone conference with Steve Geringer; commence preparation to draft suit papers; review file, commence drafting complaint; telephone conference with Brian Byrnes; conference between Mr. Harwell and Mr. Ross; conference with Jim Thomas re: preparation of Complaint; office conference with Jon Ross; office conference with Jon Ross and Jim Thomas re: preparation of pleadings to

sue Mr. Chambers and Calcasieu Television and Radio, Inc.; prepare draft complaint and other pleadings; preparation of Complaint; telephone conference among Mr. Golden, Mr. Ross and Mr. Harwell; telephone conference with Ben Mount; conference between Mr. Ross and Mr. Thomas; telephone conference with Steve Geringer; many telephone conferences with Jon Ross; telephone conference with Bill Cook; review of Complaint and making proposed changes to Complaint; conference with Jim Thomas re: Complaint and pleadings; preparation of Complaint, T.R.O., Motion for T.R.O., and Bond on T.R.O.; telephone conference with Ben Mount re: Mr. Chambers' residence; telephone conferences with Steve Geringer; telephone conferences with Jon Golden re: settlement; meeting with Mr. Geringer, Mr. Cook, Mr. Byrnes and Mr. Smith re: Complaint and its allegations; assist in preparation of complaint and supporting documents; preparation of Complaint, Temporary Restraining Order, Motion for Temporary Restraining Order, Bond on Restraining Order, conference with Steve Geringer, Jim Smith and Brian Byrnes; telephone conference with Jim Smith; telephone conference with Jon Golden; memorandum of telephone conference with Mr. Golden; telephone conference with Mr. Golden's office; telephone conferences with Ben Mount; conference with Carson Stone; office conference with Jon Ross; revision of Complaint; telephone conferences with Jonathan Golden; telephone conferences with Al Phillips' office regarding bond; telephone conference with Ms. Lewis re: Court appearance on request for T.R.O. before Judge Scott; telephone conferences with Brian Byrnes, Steve Geringer, and Jim Smith; coordinating filing of lawsuit in Lake Charles, Louisiana; travel to and from Lake Charles, Louisiana; telephone conference with Jim Smith re: property transfer; telephone conferences with John Scofield re: property transfer on Sunday, October 16, 1983, and recorded Monday morning, October 17, 1983; telephone conference with Jim Thomas re: legal research concerning property transfer as being a Contempt of Court; legal research re: Contempt; telephone conference with Jon Ross from Kentucky; telephone conferences with Brian Byrnes, John Scofield and Mr. Harwell; legal research re: preliminary injunction; preparation of Amended Complaint; conference with Jim Thomas re: Memorandum in Support of Motion for Preliminary Injunction; research on and preparation of Motion for Preliminary Injunction; review and revise Amended Complaint; prepare Preliminary Injunction; prepare Temporary Restraining Order; conference with Jim Thomas regarding Memorandum in Support of Motion for Preliminary Injunction; telephone conferences with Brian Byrnes, Steve Geringer and John Scofield and John Stewart; draft Memorandum in Support of Motion for Preliminary

Injunction; office conference with Jon Ross; telephone conference with Jon Ross; review of pleadings in U. S. District Court in Lake Charles, Louisiana; telephone conference with Steve Geringer; analysis of amended complaint regarding transfer of real property by Calcasieu Television and Radio, Inc.; telephone conferences with Mr. Byrnes and Mr. Scofield; prepare Amended Complaint, T.R.O., Motion for T.R.O., Motion for Preliminary Injunction; Preliminary Injunction and Memorandum in Support of Preliminary Injunction; conference with Mr. Harwell; conference with Steve Geringer; conference with Brian Byrnes; final revisions to Memorandum in Support and Motion for Preliminary Injunction; travel to Alexandria, Louisiana; prepare for Preliminary Injunction hearing; telephone conference with Steve Geringer; telephone conference with Jon Ross regarding Judge Scott issuing TRO against trustee and setting preliminary injunction hearing date; court appearance on Motion for T.R.O. and Preliminary Injunction; travel to Nashville from Alexandria, Louisiana; conference with Aubrey Harwell and Jim Thomas; telephone conference with Mr. Scofield; organize file after T.R.O. hearing; letter to John Stewart enclosing pleadings; telephone conference with Brian Byrnes; telephone conference with Bill Cook; telephone conference with Steve Geringer; office conference with Jon Ross regarding mandatory injunction hearing; conference call with Jon Ross and Mr. Scofield; telephone conference with Mr. Scofield; telephone conferences with John Scofield; conference between Mr. Harwell and Mr. Ross re: discovery; conference between Mr. Harwell and Mr. Ross; long conference with Jim Smith and Brian Byrnes; telephone conference with Jim Smith; review documents and prepare chronology of events; telephone conferences with Steve Geringer; conference between Aubrey Harwell and Jon Ross; telephone conference with Brian Byrnes; telephone conference with Jim Smith; telephone conference with Brian Byrnes regarding meeting; review correspondence from Court regarding preliminary injunction; prepare chronology; organize entire file; preparation for Louisiana depositions; telephone conferences with Mr. Scofield; telephone conferences with John Scott; letter to Mr. Scofield; meeting with Jim Smith and Brian Byrnes to prepare for depositions; organize files and prepare for depositions in Louisiana; review documents, notes and chronology; travel to Lake Charles, Louisiana; prepare for depositions of Mr. Chambers, Ms. Guillory, Jim Smith and Brian Byrnes; telephone conference with Jon Ross regarding depositions; attend depositions of Brian Byrnes and James B. Smith; take depositions of Ms. Guillory and Mr. Chambers; prepare for resumption of deposition of Mr. Chambers; conference with Mr. Smith, Mr. Scofield and Mr. Byrnes before and after depositions; conference with Mr. Scofield, Mr. Byrnes and Mr. Smith; take deposition

SCOFIELD, BERGSTEDT, GERARD, MOUNT & VERON

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

POST OFFICE DRAWER 3028

LAKE CHARLES, LOUISIANA 70602

TAX ID. NO. 72-0843004

1745

DECEMBER 31, 1983

CHANNEL COMMUNICATIONS *

- GENERAL

THIRD NAT'L. BANK, 8TH FLOOR

NASHVILLE, TN 1 37219

TE

SERVICE

21/83 TEL. CONF. W/ MIKE SWAIN IN JUDGE SCOTT'S OFFICE; LEGAL RESEARCH ON DIVERSITY; THREE TEL. CONFS. W/ JON ROSS; TEL. CONF. W/ AUBREY HARWELL; TEL. CONF. W/ LEONARD FUHRER

23/83 REV. OF FILE DOCUMENTS IN PREP. FOR HEARING; TRIP TO ALEXANDRIA; MEETING W/ JIM SMITH, BRIAN BURNES & JON ROSS; PREP. FOR HEARING

24/83 ASSISTED MARIAN IN CHECKING CONVEYANCE RECORDS CHECKING CONVEYANCE RECORDS AT CT. HOUSE
TEL. CONF. W/ JBS, RE: BIRMINGHAM LAW FIRM TO AFFECTUATE
TEL. CONF. W/ TIM PECARO; TEL. CONF. W/ JBS; TEL. CONF. CALL W/ TIM PECARO, JBS, AL SMITH & JIM SMITH
SERVICE ON MABEL CHRISTINE BAKER; REV. OF MARTINDALE-HUBBLE LAW DIRECTORY; TEL. CONF. W/ FRANK M. YOUNG, III, RE: SERVICE OF PROCESS IN BIRMINGHAM, AL
PREP. FOR HEARING; CONF. W/ JON ROSS, JIM SMITH & BRIAN BURNES; CONF. W/ CLERK OF CT.; CONF. W/ JACK GRAY; CONF. W/ JUDGE SCOTT & PARTIES; TEL. CONF. W/ GEORGE BAKER; TRIP TO LAKE CHARLES; PREP. OF DOCUMENTS FOR SERVICE; TEL. CONF. W/ JON ROSS' SEC.; CORRES. TO MR. YOUNG; CORRES. TO MRS. BAKER; CONF. W/ JIM SMITH; TEL. CONF. W/ DONNA PALMER

25/83 FIVE TEL. CONFS. W/ JIM SMITH; FOUR TEL. CONFS. W/ JACK GRAY; INTER-OFFICE CONF. W/ BWM
REV. OF NEW ACTS OF LEGISLATURE ON TAX CREDITS FOR NEWLY HIRED EMPLOYEES
TEL. CONF. W/ PARALEGAL IN BIRMINGHAM, RE: SERVICE INSTRUCTIONS

26/83 TEL. CONF. W/ C. GILLESPIE, RE: ATTEMPTS TO SERVE CHAMBERS; INTER-OFFICE CONF. W/ JBS; CONF. W/ C. GILLESPIE

27/83 TEL. CONF. W/ JACK GRAY
TWO TEL. CONFS. W/ JACK GRAY; TEL. CONF. W/ JIM SMITH; THREE TEL. CONFS. W/ JON ROSS; TEL. CONF. W/ AUBREY

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'28/83 HARWELL; TWO TEL. CONFS. W/ RICHARD CURRY; PREP. OF
PRELIMINARY INJUNCTION AGAINST MABEL BAKER
TEL. CONF. W/ JUDGE SCOTT; TEL. CONF. W/ RICHARD CURRY;
REVISION OF PRELIMINARY INJUNCTION; CORRES. TO JUDGE
SCOTT; TEL. CONF. W/ JON ROSS
'31/83 REV. RETURN RECEIPT ON SERVICE ON MABEL BAKER; REV. OF
CORRES.--FRANK YOUNG; RETURN OF SERVICE; CORRES. TO
ROBERT SHEMUELL; TEL. CONF. W/ JACK GRAY'S OFFICE; TEL.
CONF. W/ JIM SMITH
TEL. CONF. W/ FRANK YOUNG, ATTY. IN BIRMINGHAM, RE:
SERVICE
'01/83 INTER-OFFICE CONF. W/ JBS, RE: RESEARCH, RE: TRANSACTION
PRIOR TO TRO APPLICATION
REV. OF CERTIFIED COPY OF PRELIMINARY INJUNCTION; TEL.
CONF. W/ JACK GRAY; TEL. CONF. W/ JOE WILLIAMS; TEL.
CONF. W/ JON ROSS' OFFICE; PREP. OF NOTICE OF DEPOS.;
INTER-OFFICE CONF. W/ AHW
'02/83 TEL. CONF. W/ RICK CURRY, RE: DEPOS. OF MRS. BAKER
RESEARCH, RE: FRAUDULENT TRANSFER
'03/83 REV. OF CORRES.--JUDGE SCOTT; INTER-OFFICE CONF. W/ BWM;
TEL. CONF. W/ JON ROSS; REV. OF TRANSCRIPT OF RITA
GUILLORY INTERVIEW
VIEWING OF LIVE AT FIVE SEGMENT ON KPBC TELEVISION, RE:
SALE OF STATION; TRANSCRIPTION OF TAPED SEGMENT OF AUDIO
PORTION
RESEARCH, RE: FRAUDULENT CONVEYANCES; WORK ON MEMO
'04/83 TWO TEL. CONFS. W/ JON ROSS; TEL. CONF. W/ JACK GRAY;
REV. OF CORRES.--RICHARD CURRY; LEGAL RESEARCH; INTER-
OFFICE CONF. W/ AHW
INTER-OFFICE CONF. W/ JBS, RE: RESEARCH, RE: FURTHER
RESEARCH, RE: FRAUDULENT CONVEYANCE, SPECIFIC
PERFORMANCE OF PURCHASE & SALE CONTRACT
'05/83 RESEARCH, RE: SPECIFIC PERFORMANCE
'06/83 REV. OF DOCUMENTS IN PREP. FOR DEPOS.
'07/83 PREP. FOR CONF. W/ JIM SMITH, BRIAN BURNS & JON ROSS;
TAKE DEPOS. OF BURNS, SMITH, RITA GUILLORY & RUSS
CHAMBERS; REV. OF CORRES.--FRANK YOUNG
'08/83 PREP. FOR & TAKING OF DEPOS. OF RUSSELL CHAMBERS; CONF.

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DECEMBER 31, 1982

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W/ SMITH, BURNS & ROSS
TRIP TO PAR. CT. HOUSE; CHECK RECORDS TO SEE IF SUIT HAS
BEEN FILED NAMING NASCO OR CHANNEL COMMUNICATIONS AS
DEFENDANT; TEL. CONF. W/ MARTY NATALI, U. S. DIST. CT.,
WESTERN DIST. - LAKE CHARLES DIVISION; TEL. CONF. W/
DIANE, FED. CLERK'S OFFICE IN SHREVEPORT

1/10/83

RESEARCH, RE: SIMULATIONS; DONA FIDE PURCHASERS
REV. OF ANSWERS OF KPLC & RUSSELL CHAMBERS

1/11/83

RESEARCH, RE: FRAUDULENT CONVEYANCES

1/14/83

CONTINUE RESEARCH, RE: FRAUDULENT CONVEYANCE
TEL. CONF. W/ JIM SMITH; TEL. CONF. W/ JACK GRAY'S
OFFICE; CORRES. TO JIM SMITH

1/15/83

TWO TEL. CONFS. W/ JACK GRAY

1/16/83

TEL. CONF. W/ JIM SMITH; TEL. CONF. W/ JACK GRAY;
CORRES. TO FRANK YOUNG; TEL. CONF. W/ RICHARD CURRY

1/17/83

REV. OF RESEARCH NOTES; BEGIN DRAFT OF MEMO
TEL. CONF. W/ JACK GRAY; TEL. CONF. W/ JIM SMITH; TEL.
CONF. W/ FRANK YOUNG'S OFFICE; INTER-OFFICE CONF. W/

1/18/83

AHW, RE: LEGAL RESEARCH; REV. OF DOCUMENTATION
TEL. CONF. W/ FRANK YOUNG'S OFFICE; TEL. CONF. W/
RICHARD CURRY; TEL. CONF. W/ JACK GRAY; PREP. OF NOTICE
OF DEPOS.; CORRES. TO FRANK YOUNG; CORRES. TO JIM SMITH;
TEL. CONF. W/ FRANK YOUNG; LEGAL RESEARCH; TEL. CONF. W/
JIM SMITH

1/21/83

ASSISTED IN CHECKING CONVEYANCE RECORDS TO SEE IF ACT OF
DONATION IN TRUST & LEASE AGREEMENT HAD BEEN RECORDED IN
CAL. PAR.

1/22/83

LEGAL RESEARCH, RE: MOTION FOR CONTEMPT
COMPLETE RESEARCH, RE: FRAUDULENT CONVEYANCE; CONTINUE
DRAFT OF MEMO
COMPLETE FILE REV.; ORGANIZING & ASSEMBLING CORRES.,
PLEADINGS, RESEARCH & NOTES FILES; DICTATING INDEX TO
PLEADING FILE

1/23/83

TEL. CONF. W/ JAY WALLER W/ FRED YOUNG'S OFFICE IN
BIRMINGHAM, RE: DEPOS.; REV. OF INSTRUMENTS, RE: SHERRY
ADICRONKE; 2D TEL. CONF. W/ JAY WALLER, RE: ISSUANCE OF
SUEPOENAS
ASSIST HRB W/ FILING

CROWELL & MORING
1100 CONNECTICUT AVENUE, N. W.
WASHINGTON, D. C. 20036
(202) 452-5800

BILLING INVOICE

15599-010
070:t1c

Channel Communications, Inc.
3200 West End Avenue, Suite 405
Nashville, Tennessee 37203

STATEMENT OF ACCOUNT

Professional Services Rendered
During October, 1983:

\$ ~~416.25~~ 186.25

Expenses Incurred For Your Account:

Reproduction of Documents \$ 84.70
Telephone/telegraph/telex 20.37
Postage .60
Messenger Service 16.35

~~122.02~~ -0-

Total Services and Expenses:

\$ 538.27

Balance Carried Forward:

- 0 -

TOTAL:

\$ 538.27

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